



HEAD OF HOUSEHOLD AUDIT LETTER

We are reviewing your 2004 California income tax return to determine if you qualified to use the head of household filing status. The enclosed Audit, Contact, and Privacy Notices provides information about what to expect during the audit process including your rights and your right to privacy.

To help us determine if you used the head of household filing status correctly, please complete the Head of Household Audit Questionnaire on pages 3 and 4 of this letter and return both pages to us by the **response due date** shown above. If you need more space to answer any of the questions, please use a separate sheet of paper and attach it to the audit questionnaire with your response.

To help you complete the Head of Household Audit Questionnaire, we are providing information about the Head of Household Requirements for 2004 on page 5 and the Head of Household Frequently Asked Questions on pages 6 through 8. For telephone assistance in completing the questionnaire, or to access head of household information on our Website, refer to the Head of Household Assistance Information on page 2.

If, after reviewing the information provided, you determine that you do not qualify for the head of household filing status, indicate on the questionnaire that you do not qualify.

To return your completed questionnaire, whether you qualify or not, please do **one** of the following by the **response due date**:

- **Fax** the questionnaire (pages 3 and 4) and any supporting information using the above fax number. Fax one copy of each page of the questionnaire. A fax cover sheet is not necessary.
- **Mail** us the questionnaire using the enclosed pre-addressed envelope. If you mail your response to an address other than the one on the enclosed envelope, it may increase the time it takes to process your information.

It is important that you respond by the **response due date** indicated above. If you do not respond, we may do the following:

- Deny your head of household filing status.
- Assess additional tax.
- Impose a 25 percent penalty.

Please keep a copy of your completed questionnaire for your records.

Thank you for your prompt attention to this matter.

HEAD OF HOUSEHOLD ASSISTANCE INFORMATION

To receive **automated telephone assistance** in completing the audit questionnaire or to order FTB Pub. 1540, *California Head of Household Filing Status* by telephone, please call:

From within the United States (800) 555-4005
From outside the United States (not toll-free) (916) 845-6600

To receive additional information about the head of household filing status or to download FTB Pub. 1540, *California Head of Household Filing Status*, please go to our Website at:

www.ftb.ca.gov

Our **Taxpayer Service Center** is also available to answer any questions you may have about the questionnaire or the head of household filing status.

From within the United States, call (800) 852-5711
From outside the United States, call (not toll-free) (916) 845-6500

Website at: **www.ftb.ca.gov**

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

ASISTENCIA INFORMATIVA SOBRE EL ESTADO CIVIL DE CABEZA DE FAMILIA

Para recibir **asistencia telefónica automatizada** de como completar el cuestionario de auditoria, o para ordenar por teléfono la publicación FTB Pub. 1540, *California Head of Household Filing Status*, en español, *FTB Pub. 1540SPAN, Información Sobre El Estado Civil Cabeza de Familia*, por favor llame:

Dentro de los Estados Unidos (800) 555-4005
Fuera de los Estados Unidos (número no gratuito) (916) 845-6600

Para recibir información adicional sobre el estado civil de cabeza de familia o para obtener una copia electrónica de la publicación FTB Pub. 1540 en español, FTB Pub. 1540SPAN, *Información Sobre El Estado Civil Cabeza de Familia de California*, por favor visite nuestro sitio en la red electrónica en:

www.ftb.ca.gov

Nuestro **Centro de Servicio para el Contribuyente de Impuestos** (Taxpayer Service Center) también está disponible para contestar cualquier pregunta que usted tenga con respecto a esta carta o sobre el estado civil de cabeza de familia.

Dentro de los Estados Unidos llame al (800) 852-5711
Fuera de los Estados Unidos llame al (número no gratuito) ... (916) 845-6500

Red electrónica: **www.ftb.ca.gov**

Asistencia para personas discapacitadas: Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos o de habla pueden llamar al TTY/TDD (800) 822-6268.



HEAD OF HOUSEHOLD AUDIT QUESTIONNAIRE

2004

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Please provide the information requested below. See page 5 of this letter for head of household qualification requirements. If you need more space to answer any of the questions or to provide explanations for your answers, use a separate sheet of paper and include it with your response. **For information on what to expect during the audit process see the enclosed *Audit, Contact, and Privacy Notices*.**

(1) Check one box below to identify the relationship of the person you believe qualified you for the head of household filing status.

- ☐ Son, daughter, stepson, or stepdaughter.
- ☐ Grandchild.
- ☐ Foster child.
- ☐ Father or mother.
- ☐ Brother, sister, half brother, half sister, stepbrother, or stepsister.
- ☐ Grandfather, grandmother, stepfather, or stepmother.
- ☐ Son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law.
- ☐ Uncle, aunt, nephew, or niece.
- ☐ Other (please explain). _____
(You cannot claim yourself, your spouse, or your tax preparer.)

(2) Provide the social security number, name, and age of the qualifying person you indicated in question 1.

Social Security Number: -- Name: _____

Age in years as of 12/31/2004: If less than one year old, age in months:

(3) Were you entitled to claim a dependent exemption credit for your qualifying person in 2004?

☐ Yes ☐ No

(4) Did the qualifying person live with you the entire year of 2004?

☐ Yes. Go to Question 6.

☐ No. List the beginning and ending dates of each period the qualifying person lived with you during 2004, or provide the total number of days the qualifying person lived with you during 2004 and answer question 5.

From / / To / /

From / / To / / OR

From / / To / /

From / / To / /

<div style="text-align: center;"> <input type="text"/> <input type="text"/> <input type="text"/> </div> <p style="text-align: center;">Total number of days (More than 12 hours each day)</p>

(5) If your qualifying person did not live with you for the entire year during 2004, check one box below that best explains the main reason your qualifying person was absent from your home.

☐ Lived away at school ☐ Military Service ☐ Hospital/Convalescence ☐ Birth or Death

☐ College ☐ Lived with other parent ☐ Moved out ☐ Other (please explain) _____

(6) Was your qualifying person in question 1 married as of December 31, 2004? ☐ Yes ☐ No

If yes, did this person file a joint tax return for 2004 with his or her spouse? ☐ Yes ☐ No

(7) If your qualifying person is not your birth, adopted, or stepchild, did a parent of the qualifying person live in the home with you and the qualifying person at any time during 2004?

☐ Yes ☐ No

(8) As of December 31, 2004 were you single? For the purpose of this question "single" means: never legally married, or widowed (spouse died before January 1, 2004), or received a final court decree of divorce or legal separation on or before December 31, 2004, or received a final court decree of annulment.

☐ Yes ☐ No

(9) If you were legally married during all or part of 2004, did you live with your spouse at any time during that year? You were legally married in 2004 if you did not receive a final court decree of divorce or legal separation on or before December 31, 2004, or did not receive a final court decree of annulment.

☐ Yes ☐ No

If yes, list beginning and ending dates of each period that you lived with your spouse during 2004.

From / / To / / From / / To / /

From / / To / / From / / To / /

Please provide a telephone number and the best time we can reach you between 6:30 a.m. and 7 p.m. Monday through Friday, if we need more information.

Telephone number: ----- Best time to call: _____ Before _____ After _____ a.m. _____ p.m.
(Area Code) (Number) (Extension)

I declare under penalty of perjury that the above statements are true and correct to the best of my knowledge and belief.

Signature _____ **Date** _____

Head of Household Qualification Requirements for 2004

The law allowing this filing status has very specific rules that you must meet. To file your tax return using the head of household filing status on the last day of the year you must be either:

- unmarried, or
- considered unmarried

In addition, you must have paid more than one-half the cost of keeping up a home that was the main home for you and a qualifying person for more than one-half of the year.

Note: In determining whether your home was your qualifying person's main home for more than half of 2004, **you can include:**

- Half of the number of days when you, your spouse, and your qualifying person lived together and all of the days when you and your qualifying person lived together without your spouse.
- Days when your qualifying person was temporarily absent from your home. Temporary absences include vacations, illness business, school, or military service.

Do not include any days when your qualifying person was in the custody of another person under either a formal or informal custody agreement.

Please review the tables below to determine if you met the requirements to file your tax return using the head of household filing status.

Unmarried	
You may qualify for the head of household filing status if you were unmarried in 2004 (see below) and...	you paid more than half the cost of keeping up your home, which was the main home for you and one of the following qualifying persons:
<p>For head of household purposes "unmarried" means one of the following:</p> <ul style="list-style-type: none"> • Never married. • Divorced under a final decree by December 31, 2004. • Legally separated under a final decree by December 31, 2004. • Marriage annulled under a final decree. • Widowed (Spouse died before January 1, 2004). 	<p>A. Your birth child, stepchild, grandchild, adopted child, brother, sister, half brother, half sister, stepparent, grandparent, stepbrother, stepsister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law who lived with you for more than half of 2004 and for whom you were entitled to claim a dependent exemption credit; or your blood-related uncle, aunt, nephew, or niece who lived with you for more than half of 2004 and for whom you were entitled to claim a dependent exemption credit.</p> <p>You do not need to be entitled to claim a dependent exemption credit for your child, or grandchild, who was unmarried as of the last day of 2004 tax year.</p> <p>B. Your foster child who lived with you during all of 2004 and for whom you were entitled to claim a dependent exemption credit. A foster child is one who is in the care of someone (other than the child's parent or parents) who cares for the child as his or her own child. The foster relationship must have begun while the child was a minor.</p> <p>The child of a person you lived with during 2004 is not your foster child even if the child lived with you all year, because the child was in the care of his or her parent.</p> <p>C. Your parent for whom you provided more than half the cost of keeping up a home for all of 2004 and for whom you were entitled to claim a dependent exemption credit. Your parent need not live with you.</p>

OR

Considered Unmarried	
You may qualify for the head of household filing status if you were considered unmarried in 2004 (see below) and...	you paid more than half the cost of keeping up your home as the main home for one of the following qualifying persons:
<p>For head of household purposes, "considered unmarried" means you were legally married, on December 31, 2004, but you lived apart from your spouse at all times during the last six months of 2004.</p>	<p>A. Your birth child, stepchild, or adopted child who lived with you for more than half of 2004 and for whom you were entitled to claim a dependent exemption credit.</p> <p>B. Your foster child who lived with you during all of 2004 and for whom you were entitled to claim a dependent exemption credit. A foster child is one who is in the care of someone (other than the child's parent or parents) who cares for the child as his or her own child. The foster relationship must have begun while the child was a minor.</p> <p>The child of a person you lived with is not your foster child, even if the child lived with you all year, because the child was in the care of his or her parent.</p>



Head of Household Frequently Asked Questions

1. Q. What if I need more space to answer the questions on the audit questionnaire?

A. If you need more space to answer any of the questions or to provide explanations for your answers, use a separate sheet of paper and include it with your response.

2. Q. Why do you want to know my marital status?

A. Your marital status is a factor in determining if you qualify for the head of household filing status.

3. Q. Who is a qualifying person?

A. A qualifying person is a qualifying relative, including a foster child, who can qualify you for the head of household filing status. To determine who is a qualifying relative, see the Head of Household Qualification Requirements for 2004 on page 5.

4. Q. I lived with my girlfriend and her child during the year. Can I consider the child as my stepchild or foster child and claim the head of household filing status using the child as my qualifying person?

A. No. Because you were never married to the child's parent, the child is not your stepchild, and the child cannot qualify you to use the head of household filing status. A foster child is in the care of someone (other than the child's parent or parents) who cares for the child as his or her own child. Because this child lived with and was cared for by a parent, the child cannot be considered as your foster child and cannot qualify you for the head of household filing status. See *California Head of Household Filing Status* (FTB Pub. 1540) for more information on claiming a dependent exemption. To order FTB Pub. 1540 by telephone or to download FTB Pub. 1540, see our Head of Household Assistance Information on page 2.

5. Q. Can I claim my parent as my qualifying person for the head of household filing status?

A. It depends. If you are married on the last day of the taxable year, you cannot claim your parent as your qualifying person, even if you did not live with your spouse during the last six months of the taxable year.

If you are single on the last day of the taxable year, you can claim your parent as your qualifying person if you are entitled to claim a dependent exemption for your parent and if you meet all of the qualification requirements. Your parent must be a citizen, resident or national of the United States, or a resident of Mexico or Canada. Your parent need not live with you as long as you paid more than half the cost of keeping up the home that was your parent's main home for the entire taxable year.

See *California Head of Household Filing Status* (FTB Pub. 1540) for more information. To order FTB Pub. 1540 by telephone or to download FTB Pub. 1540, see our Head of Household Assistance Information on page 2.

Head of Household Frequently Asked Questions

6. Q. Can my child qualify both parents for the head of household filing status?

- A. No. A child can qualify only one parent for the head of household filing status in a particular taxable year, and that parent must meet all the head of household requirements.
(See the Head of Household Qualification Requirements on page 5.)

7. Q. My spouse and I lived apart the entire year, but we are still legally married. My son lives with me. I meet the requirements to claim a dependent exemption for him, but I have signed an agreement allowing his other parent to claim the dependent exemption. Can I still use the head of household filing status?

- A. Yes. You can claim your son as your qualifying person if you otherwise meet all of the head of household requirements and the only reason you did not claim a dependent exemption for him was because you signed an agreement allowing the other parent to claim the dependent exemption.

8. Q. I am divorced. My ex-spouse and I lived apart and shared equal custody of our child, who lived with each of us for 50 percent of the taxable year. Can I claim the head of household filing status?

- A. No. To claim the head of household filing status, your child must have lived with you for **more than** 50 percent of the taxable year. However, you may qualify for the Credit for Joint Custody Head of Household. See page 19 of the *California Resident Personal Income Tax Booklet* for 2004 to determine if you qualify for this credit.

9. Q. My spouse and I separated during the year. Our son lived with me after we separated. I want to use the head of household filing status. In figuring the number of days our son lived with me, can I count the time he lived with my spouse and me before we separated?

- A. If you and your spouse separated during the period January 1 to June 30 and you were still married at the end of the year, you can count only **half** of the time that you, your spouse, and your son lived together and all the time you and your son lived together without your spouse.

If you and your spouse separated during the period July 1 to December 31 and you were still married at the end of the year, you cannot qualify for head of household filing status because to be considered unmarried, you must have lived apart from your spouse at all times during the last six months of the year.

If you and your spouse separated during the year and you were divorced or legally separated by the end of the year, you can count **half** of the time that you, your spouse, and your son lived together and all the time you and your son lived together without your spouse.

Head of Household Frequently Asked Questions

10. Q. My spouse and I were separated from the beginning of 2004 until November of 2004, when we reconciled. Since we were separated for more than six months of the year, can I still file using the head of household filing status?

A. No. Because you were married on the last day of the year, you must live apart from your spouse for the **entire last six months** of the taxable year to qualify for the head of household filing status. Because you lived with your spouse during a part of the last six months of the taxable year, you do not qualify for the head of household filing status.

11. Q. Can I provide the head of household information when I file my tax return?

A. Yes. If you e-file your tax return and use the head of household filing status, you can provide the head of household information with your tax return by submitting the completed Schedule HOH/FTB 4803e at the time your return is filed. The Schedule HOH/FTB 4803e will allow us to determine if you qualify for the filing status without later having to issue you an audit letter.

To find out more about e-filing go to our Website at **www.ftb.ca.gov** or talk to your tax preparer, if you use one.

12. Q. What can I do before I file my return to make sure that I am qualified to file using the head of household filing status?

A. Visit the FTB Head of Household Filing Status Information at **www.ftb.ca.gov** and take the head of household self-test before you file your tax return. The Web page also offers information regarding our audit program and specific definitions of terms to help you determine if you are qualified to use the head of household filing status. Encourage your tax preparer, if you use one, to use the self-test before preparing your tax return.

If you do not have access to the Internet, you can take the self-test found in FTB Pub. 1540, *California Head of Household Filing Status*. To order FTB Pub. 1540 by telephone, see the Head of Household Assistance Information on page 2.

13. Q. Why do I receive a head of household audit questionnaire every year?

A. If you were denied the head of household filing status for a specific reason or for not responding to the questionnaire at all in the previous tax year, you can expect to receive an audit letter the following year. Otherwise, our program is designed so that those taxpayers who qualify for head of household do not receive audit letters every year.

14. Q. If I qualified to use the head of household filing status in a previous year, why did the Franchise Tax Board send me an audit letter this year?

A. Each taxable year stands on its own. We cannot determine if the circumstances that qualified you for the head of household filing status in a previous taxable year remained the same for this taxable year.